28 May 2014

English only

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Subsidiary Body for Scientific and Technological Advice
Fortieth session
Bonn, 4–15 June 2014

Item 5 of the provisional agenda
Methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

Views on methodological guidance for non-market-based approaches related to the implementation of the activities referred to in decision 1/CP.16, paragraph 70

Submissions from Parties and admitted observer organizations

Addendum

1. In addition to the six submissions from Parties contained in document FCCC/SBSTA/2014/MISC.3, one further submission was received on 7 May 2014.

2. In accordance with the procedure for miscellaneous documents, this submission is attached and reproduced* in the language in which it was received and without formal editing.[1]

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[1] Also available at <http://unfccc.int/5900.php>.

Submission by Nepal on behalf of the Least Developed Countries Group with respect to methodological guidance for non-market-based approaches related to the implementation of the activities referred to in decision 1/CP.16, paragraph 70

The Least Developed Countries Group (LDC Group) welcomes the opportunity to submit views on methodological guidance for non-market-based approaches related to the implementation of the activities referred to in decision 1/CP.16, paragraph 70.

The LDC Group supports the COP 19 decision on non-market-based approaches to finance REDD+ to ensure more mitigation activities and believes that non-market-based approaches will ensure equity in financial distribution, obligations to nature, delivery of measurable, additional emission reduction outside an offsetting context, and cost effectiveness of mitigation actions to achieve sustainable development.

Non-Market Based Approaches (NMA)

The 2013 submission by Nepal on behalf of the LDC Group with respect to Non-Market-Based Approaches, states that, "*LDCs understand that non-market-based approaches are a broad spectrum of actions that contribute to reducing global greenhouse gas emissions by both Annex I and Non-Annex I Parties*." LDCs consider that non-market-based approaches have a more universal uptake and have fewer problems with leakage, permanence, and fraud as the approaches are driven by climate change outcomes rather than market interests.

In the REDD+ context, the term "Non-Market-based Approach" (NMA) refers to policy measures and instruments designed to raise adequate, predictable and long-term resources for enhancing effective mitigation and adaptation actions without internationally transferable units, but MRV-ed so that the outcome can be accounted toward an emission reduction target of the contributor country. All activities should be able to meet the standard of delivering real, permanent, additional and verified mitigation, and avoid double counting according to UNFCCC rules.

While complementing market-based approaches, NMA provides better opportunity for proportional allocation of resources among the five REDD+ activities (a) to (e) (referring to 1/CP 1, paragraph 70 and five REDD+ activities). This approach allows NMA to go beyond carbon offsets by taking into account the multi-functional attributes of forests. This intends to create synergy between mitigation and adaptation measures that can complement a country's sustainable development goals.

Considering the poor state of the carbon market, LDCs place great importance in the development of non-market based approaches for REDD+. Furthermore, many LDCs are unlikely to have access

to market-based approaches due to a variety of reasons as evident from the experience of Clean Development Mechanism (CDM). Therefore, non-market-based approaches are likely to deliver more equitable outcomes, particularly for LDCs. We believe that non-market-based approaches should play a significant role in the implementation of REDD+ activities for all countries. We believe it is very difficult to deal with REDD+ as a carbon-centered approach based solely on quantification of emissions because most of the REDD+ safeguards and activities assure multiple benefits (including ecological, social, cultural and economic benefits).

NMA as an opportunity

Market-based mechanism refers to instruments and approaches that have international transferable units from forest carbon markets in the context of REDD+ and, until recently, this has been considered to be the only available option for REDD+ financing. Market mechanism and NMA are complementary to each other and both are required to meet the goals of UNFCCC through REDD+. While market-based mechanism has distinct benefits, experience indicates that there are numerous risks and limitations for LDCs. For example, LDCs had a constricted access to the CDM market due to a multitude of reasons including, but not limited to, inadequate capacity, lack of quality data, and high upfront and transaction costs. We believe that NMA should be a priority for REDD+ financing for LDCs as it can better complement our efforts for biodiversity conservation, improved ecosystem services and poverty reduction through devolved forestry sector governance.

Despite intensive efforts for conservation through incentive mechanisms, deforestation remains a persistent problem in many LDCs as the existing value of ecosystem services of forest is still undervalued and considered marginal. Most drivers of deforestation and forest degradation in LDCs are derived from subsistence-based economic activities. Fuelwood extraction, for example, is a major driver of forest degradation in our countries; but there is no formal market for this product in rural areas. Hence, the problem cannot be addressed by market instrument alone. The success achieved so far in biodiversity conservation, watershed restoration, forest conservation in many of our countries can be attributed to community engagement and not driven by market forces. Social, environmental and governance aspects have been important in this regard.

The LDCs believe that activities to be considered under non-market-based approaches should include:

- Actions related to policies, law enforcement, governance and trade
- Action to address the drivers of deforestation and forest degradation, and thus reduce emission
- Awareness raising and capacity building to promote carbon sequestration in forests
- Carbon sequestration incentives (afforestation and reforestation to enhance carbon stock)
- Conservation (sustainably managed carbon stock in forests)
- Research and development of suitable and efficient technologies

- Co-benefits like enhanced livelihoods, biodiversity conservation, better ecosystem services, climate resilience, improved governance, contributions to multilateral environment agreements, etc.

We strongly believe that non-market-based approaches for REDD+ should be incorporated within the framework of various approaches and should be included in the 2015 agreement. The non-market-based approach should be implemented within the 2015 agreement and can be facilitated through support and oversight from the UNFCCC and the 2015 agreement with linkages to the Green Climate Fund (GCF). The LDC Group is of the view that since REDD+ has a potential to significantly contribute to mitigation and achieve sustainable development and livelihood improvement of forest dependent communities, REDD+ finance should be addressed as a part of the long-term finance for mitigation and adaptation.

Suggested methodological guidance

- Institutional arrangement: There is need for a good institutional (existing or new) arrangement within UNFCCC to account for NMA transactions.
- Funding: LDCs urge developed countries to take the lead in providing financial support for REDD+ and sustainable development needs for LDCs through non-market-based approaches within the GCF and under other multilateral and bilateral financing entities. It is important that finance for NMA should be additional to regular ODA funding. Furthermore, funding should be equitable, predictable, and transparent with adequate provisions of MRV.
- Accounting: Accounting must be based on guidelines that are transparent, consistent over time and suitable for MRV such as UNFCCC guidelines and modalities, and IPCC good practice guidelines.
- Registry: Registry should be maintained at both national and international levels to record outcomes of market mechanisms and NMA activities for monitoring and avoiding double counting. REDD Web Platform can be a good medium for this.
- Verification: Programmes submitted for NMA should adhere to the agreed modalities as per decision 14/CP.19 for MRV.
- Pricing under NMA: Differential pricing mechanism that can seek premium values to appreciate non-carbon benefits from REDD+ activities should be allowed. Determination of pricing through bilateral negotiations should also be allowed.
- Safeguards: NMA should respect the framework on safeguards agreed by Parties under the Cancun agreement.
- Sustainability: Sustainable financing and environmental integrity should be ensured.

FCCC/ SBSTA/ 2014/ MISC.3/ Add.2

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4 June 2014

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Addendum

1. In addition to the six submissions from Parties contained in document FCCC/SBSTA/2014/MISC.3 and the one submission contained in document FCCC/SBSTA/2014/MISC.3/Add.1, one further submission was received on 31 May 2014.

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FCCC/SBSTA/2014/MISC.3/Add.2
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Submission from Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda and Sao Tome and Principe

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Soumission des pays de la COMIFAC sur les directives méthodologiques des approches non fondées sur le marché

26 Mars 2014

1. Introduction

Les pays de la COMIFAC se félicitent de l'invitation faite par l'OSCST/SBSTA en vue de soumettre les vues des Parties sur préparer des soumissions sur les directives méthodologiques des approches non fondées sur le marché. Les pays membres de la COMIFAC ont précédemment présenté à la CCNUCC plusieurs soumissions sur les activités de REDD+ sur lesquelles ils souhaitent attirer l'attention des Parties à la CCNUCC. Il s'agit en particulier, sur la soumission inclue dans le document FCCC/AWGLCA/2012/MISC.3/Add.2 présentant notre point de vue sur les modalités et dispositions de financement axé sur le résultat.

Ils réitèrent leur position sur l'importance capitale du soutien financier devant provenir de diverses sources à la fois publiques et privées, bilatérales, multilatérales, y compris le Fonds Vert pour le Climat (FVC). Toutefois, ce financement devrait provenir en priorité de sources publiques. Le financement privé aussi nécessaire ne pourrait qu'être complémentaire. Les financements doivent permettre aux pays en développement de répondre tant à leurs besoins d'adaptation que d'atténuation en générant des bénéfices socio-économiques et environnementaux durables. A cette fin, les pays membres de la COMIFAC considèrent l'élaboration des directives méthodologiques pour les approches non fondées sur le marché pour les activités de REDD+ comme une initiative d'importance capitale.

Un certain nombre de décisions précédentes relatives aux directives méthodologiques pour les activités de REDD+ peuvent être utilisées pour davantage informer le travail du SBSTA sur les bénéfices non liés aux carbone, y compris les décisions 1/CP.13, 4/CP.15, 1/CP.16, 2/CP.17, 12/CP.17, 1/CP.18 et les décisions 9, 11, 12, 13, 14 et 15/CP.19. Celles-ci

incluent notamment les décisions relatives aux niveaux de référence, à la prise en compte des causes de la déforestation, aux systèmes nationaux de surveillance et aux systèmes de communication d'informations sur la manière dont les garanties et les sauvegardes sont prises en compte et respectées. Ces principes et directives méthodologiques sont également pertinents pour les activités qui sont considérées à travers les approches non fondées sur le marché.

Les pays membres de la COMIFAC reconnaissent également les décisions prises à Varsovie sur le financement axé sur les résultats et le travail du Comité permanent (décision 9/CP.19). Dans ce contexte, la reconnaissance des approches non fondées sur le marché devrait également faire partie de la discussion dans le cadre du Comité permanent, lorsque les approches alternatives sont examinées.

Les pays membres de la COMIFAC qui affichent de faibles taux de déforestation historiques, subissent de plus en plus de pressions liées au besoin pour le développement socio-économique, y compris par le biais de l'agro-industrie, de l'exploitation minière, des exportations de certaines commodités, ainsi que la forte croissance démographique.

Les pays membres de la COMIFAC sont d'avis que les approches conjointes d'atténuation et d'adaptation font partie intégrante de la gestion durable des forêts. Ils développent et appliquent déjà de bonnes pratiques, comme en témoigne leur stratégie commune pour le développement et la mise en œuvre des programmes de conservation des forêts et de la biodiversité et sont décidés à les poursuivre.

2. Directives méthodologiques pour les approches non fondées sur les marchés

Il est essentiel que tous les pays qui reçoivent des ressources en appui aux activités de la REDD+ mettent en place un robuste système de suivi et de collecte de données. Les directives méthodologiques devraient être une priorité pour la surveillance des forêts pour les approches non fondées sur les marchés.

Les directives méthodologiques peuvent également être pris en considération pour les activités de REDD+ qui traitent des politiques et des

lois nationales, y compris les politiques qui reconnaissent les droits des communautés locales et des populations autochtones sur les droits fonciers.

Dans des communications antérieures, les pays de la COMIFAC ont également déclaré qu'ils étaient prêts à s'engager de manière constructive dans l'élaboration des modalités de MRV qui pourraient permettre la reconnaissance des co-bénéfices[1]. Cela pourrait aussi figurer à l'ordre du jour des discussions sur les bénéfices non liés au carbone.

Les pays membres de la COMIFAC estiment que le financement au titre de la CCNUCC par un canal tel que le Fonds vert pour le climat (FVC), devrait fournir un soutien pour les approches non fondées sur le marché. Par conséquent, les directives méthodologiques sont nécessaires pour aider le FVC à comprendre l'importance d'affecter une part de ses ressources au financement des activités REDD+.

Les pays membres de la COMIFAC sont préoccupés par le fait que très souvent les financements pour la REDD+ sont orientés vers des pays qui ont assuré leur développement économique et social à travers la déforestation à grande échelle, tandis que les pays où les forêts ont été conservés sont généralement marginalisés. Il est souhaitable que l'équilibre soit rétabli dans le cadre des directives méthodologiques.

Ces directives devraient également tenir compte d stratégies de développement socio-économiques des pays en développement. En outre, ces directives ne doivent pas se limiter aux pays en développement, mais doivent aussi s'adresser aux pays développés dont certaines politiques, peuvent involontairement soutenir les activités de dégradation et de déforestation.

3. Les liens transversaux entre les approches non fondées sur les marchés et les bénéfices non liés au carbone

Nous notons également que des liens transversaux existent sur cette question avec la discussion sur les approches non fondées sur le marché qui a lieu actuellement au titre des décisions de Durban sous l'OSCST/SBSTA. Par exemple, les pays de la COMIFAC notent que le Groupe de l'intégrité

[1] FCCC/AWGLCA/2012/MISC.3/Add.2
http://unfccc.int/resource/docs/2012/awglca15/eng/misc03a02.pdf

environnementale (EIG) a abordé cette question précise dans sa soumission de septembre 2013, relative aux approches non fondées sur le marché et a appelé à l'élaboration des directives méthodologiques sur les obligations forestières (forests bonds).[2] Les PMA dans leur soumission sur les approches non fondées sur le marché ont également identifié un certain nombre d'approches pour des activités de REDD+, telles que : l'étiquetage des produits forestiers gérés de façon durable ; l'application des réglementations forestières, la gouvernance et les échanges commerciaux (FLEG-T), et l'élimination des incitations aux biocarburants nuisibles à l'environnement.[3]

Les pays membres de la COMIFAC ont déjà indiqué4 lors des discussions antérieures sur les approches non fondées sur le marché dans le cadre de la REDD+ qu'il existe des problèmes potentiels de duplication. Les Parties doivent engager des discussions sérieuses afin de déterminer le point de l'ordre du jour le plus approprié pour examiner ces questions qui sont importantes pour le succès des négociations aussi bien sur la REDD+, que sur les approches non fondées sur le marché.

En outre, ces questions sont directement liées à la discussion relative aux bénéfices non liés au carbone. Par conséquent, les parties sont également invitées à consulter la soumission des pays membres de la COMIFAC sur les bénéfices non liés au carbone pour plus d'informations.

Les pays membres de la COMIFAC attendent avec intérêt les discussions à venir dans le cadre de l'OSCST/SBSTA 40 sur cette question, y compris la session de la réunion d'experts qui se tiendra lors de ladite session.

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[2] http://unfccc.int/files/cooperation_support/market_and_non-market_mechanisms/application/pdf/nma_environmental_integrity_group_12092013.pdf

[3] http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/nba_nepal_29102013.pdf

[4] De: http://unfccc.int/resource/docs/2012/awglca15/eng/misc03a02.pdf

[Translation as submitted]

SBSTA
Draft COMIFAC Submission on methodological guidance for non-market-based approaches

26 March 2014

1. Introduction

COMIFAC countries welcome the invitation by SBSTA to prepare submissions on methodological guidance for non-market- based approaches.

The COMIFAC countries have prepared a number of submissions on REDD-plus activities that we wish to draw attention to. In particular see FCCC/AWGLCA/2012/MISC.3/Add.2 for our views on modalities and provisions for results-based financing.

We reiterate our views on supporting both public and private financing. Financing should come primarily from public sources and private financing should be complementary. Financing must generate concrete benefits in developing countries that can meet adaptation and mitigation needs.

Therefore the COMIFAC countries are of the view that developing methodological guidance for non-market approaches for REDD-plus activities is a beneficial undertaking.

There are a number of decisions related to methodological guidance for REDD-plus activities that can be used to further inform our work including decisions 4/CP.15, 1/CP.16, 2/CP.17 and 12/CP.17. These include for example guidance on systems for providing information on how safeguards are addressed and respected; reference levels, addressing drivers of deforestation and national monitoring systems. This methodological guidance is also relevant for activities that are taken through non-market approaches.

COMIFAC countries also recognize the decisions made in Warsaw on results-based finance and the work of the Standing Committee (Decision 9/CP.19). In light of this, recognition for non-market approaches should also be part of the discussion under the Standing Committee, when alternative approaches

are being considered.

For COMIFAC countries that have mostly low historical deforestation rates, there is increasing pressure from development including agro-business, mining, exports and accelerated population growth.

COMIFAC countries are of the view that joint mitigation and adaptation approaches are integral for the sustainable management of forests particularly as COMIFAC countries have a common strategy for the development and implementation of programs for forest and biodiversity conservation.

2. Methodological guidance

It is essential that all countries receiving resources for REDD-plus activities have robust monitoring and data collection in place. Methodological guidance should be a key priority for monitoring forests for non-market approaches.

Methodological guidance can also be considered for REDD-plus activities that address policies and national laws including policies that recognise the rights of local communities and indigenous peoples on the land.

In previous submissions, the COMIFAC countries have also stated that they are willing to engage constructively in the development of MRV modalities that could allow for the recognition of co-benefits.5 This could also be considered under this agenda item.

COMIFAC believes that the funding under the UNFCCC such as through the Green Climate Fund should provide support for non-market approaches. Therefore, methodological guidance is needed to help the GCF deliver its financing for REDD-plus activities.

COMIFAC countries are concerned that financing often goes to those countries that have supported the economical and social development through huge deforestation, while, countries were forests have been preserved are in general marginalized in the provision of support. It is of high important that the balance is restored in the context of the methodological

[5]FCCC/AWGLCA/2012/MISC.3/Add.2
http://unfccc.int/resource/docs/2012/awglca15/eng/misc03a02.pdf

guidance for non-market based approaches.

This methodological guidance should also consider socio economic strategies of developing countries.

Furthermore, this guidance should not only be for developing countries, but also for developed countries whose policies may be unwittingly supporting the degradation and deforestation.

3. Cross-linkages with Non-Markets Approaches discussion and non-carbon benefits

We note also there are cross-linkages on this issue with the Non-market approaches discussion currently taking place as part of the Durban Outcome under SBSTA. For example, we note the Environmental Integrity Group (EIG) addressed this very issue in their submission on non-market approaches in September 2013 calling for methodological guidance on forest bonds[6].

The LDCs in their submission on non-market approaches also identified a number of non-market approaches for REDD-plus activities such as: labelling of sustainably managed forest products; forest law enforcement, governance and trade (FLEG-T); and eliminating incentives for environmentally unsound biofuels.[7]

COMIFAC has already stated[8] that there could be potential issues of duplication (considering time and resources) in discussing non-market approaches under the REDD discussion and instead could be considered as part of the discussion on NMA from the Durban Outcome. There should be clarification on the appropriate agenda for where these issues should be discussed for the optimum success of both REDD+ and NMA.

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[6] http://unfccc.int/files/cooperation_support/market_and_non-market_mechanisms/application/pdf/nma_environmental_integrity_group_12092013.pdf

[7] http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/nba_nepal_29102013.pdf

[8] From http://unfccc.int/resource/docs/2012/awglca15/eng/misc03a02.pdf

Furthermore, this issue is also directly linked to the non-carbon benefits discussion. Therefore please see our submission on non-carbon benefits for more information on COMIFAC's position.

COMIFAC countries look forward to the future discussion under SBSTA on this issue including the in-session expert meeting at SBSTA 40.